BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of Pennsylvania-American Water Company under Sections 1102(a) and 1329 of the Pennsylvania Public Utility Code, 66 Pa C.S. §§ 1102(a) and 1329, for approval of (1) the transfer, by sale, to Pennsylvania-American Water Company, of substantially all of the assets, properties and rights related to the wastewater collection and treatment system owned and operated by Towamencin Township and Towamencin Municipal Authority, and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in the Township of Towamencin and portions of the Townships of Franconia, Lower Salford and Worcester and the Borough of Lansdale, all in Montgomery County, Pennsylvania	:	Docket Nos. A-2023-3039900 *et al.*

DIRECT TESTIMONY OF
DYLAN W. D'ASCENDIS

May 15, 2023 Towamencin Township St. No. 2

DIRECT TESTIMONY OF
DYLAN W. D'ASCENDIS

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS FOR THE RECORD.

A. My name is Dylan W. D'Ascendis. My business address is 3000 Atrium Way, Suite 200, Mount Laurel, NJ 08054.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by ScottMadden, Inc. ("ScottMadden") as Partner.

Q. PLEASE DESCRIBE YOUR PROFESSIONAL EDUCATION AND EXPERIENCE.

A. I offer expert testimony on behalf of investor-owned utilities on rate of return issues and class cost of service issues. I am a Utility Valuation Expert ("UVE") (Utility Code 9919278) in the Commonwealth of Pennsylvania approved by the Pennsylvania Public Utility Commission (the "Commission" or "PUC"). I also assist in preparing rate filings, including, but not limited to, revenue requirements and original cost and lead/lag studies. I am a graduate of the University of Pennsylvania, where I received a Bachelor of Arts degree in Economic History. I also hold a Masters of Business Administration from Rutgers University with a concentration in Finance and International Business, which was conferred with high honors. I am a Certified Rate of Return Analyst ("CRRA") and a Certified Valuation Analyst ("CVA"). My full professional qualifications, including my expert witness appearances, are provided in Attachment A.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE COMMISSION?

A. Yes. I have testified before the Commission on several occasions as shown on Attachment A.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING?

A. The purpose of my Direct Testimony is to describe the fair market value appraisal of the wastewater system (the "System") owned by Towamencin Municipal Authority (the "Authority") and leased to the Township of Towamencin ("Towamencin") that my staff and I performed at the request of PFM Financial Advisors LLC ("PFM"), on behalf of Towamencin. Towamencin is selling the System to Pennsylvania-American Water Company ("PAWC"). As discussed further herein, Towamencin originally contracted to sell the System to NextEra Water Pennsylvania, LLC ("NextEra"), who subsequently assigned the Asset Purchase Agreement to PAWC. Our report is entitled "Valuation Report Towamencin Township November 28, 2022." The appraisal and its report were developed to meet the criteria established in Section 1329 of the Pennsylvania Public Utility Code ("Code"), 66 Pa. C.S. § 1329 ("Determination of the fair market value of water and wastewater assets").

In its 2015-2016 legislative session, the Pennsylvania Legislature passed Act 12 of 2016 and Governor Wolf signed into law Section 1329 of the Code establishing the legislative guidelines facilitating the acquisition of municipal water and wastewater systems by private investor-owned utilities and other entities which are rate-regulated by the PUC.

QUALIFICATION AS UTILITY VALUATION EXPERT

Q. ARE YOU ON THE COMMISSION'S REGISTRY OF UTILITY VALUATION EXPERTS?

A. Yes. I am an UVE in the Commonwealth of Pennsylvania approved by the PUC (Utility Code 9919278).

Q. PLEASE DESCRIBE THE PROCESS BY WHICH SCOTTMADDEN WAS PLACED ON THE COMMISSION'S REGISTRY OF UTILITY VALUATION EXPERTS.

A. After passage of Section 1329 of the Code, the Commission established an application process by which the Commission would approve and designate firms to be placed on the Commission's "Registry of Utility Valuation Experts." ScottMadden submitted its application and the required proof of experience on October 13, 2016 and received confirmation and approval from the Commission of ScottMadden's placement on the Commission's UVE Registry on December 7, 2016. ScottMadden has remained on the Commission's registry ever since.

Q. HAVE YOU EVER HAD YOUR PROFESSIONAL CREDENTIALS REVOKED OR SUSPENDED?

A. No.

Q. DO YOU HAVE SPECIFIC EXPERIENCE WITH THE VALUATION AND APPRAISAL OF UTILITY ASSETS?

A. Yes. Please see Attachment A for the details of my valuation assignments.

Q. HAVE YOU, SCOTTMADDEN, OR ANY OF ITS STAFF DERIVED ANY MATERIAL FINANCIAL BENEFIT FROM THE SALE OF THE SYSTEM'S ASSETS OTHER THAN FEES FOR YOUR SERVICES RENDERED?

A. No.

Q. ARE YOU, SCOTTMADDEN, OR ANY OF ITS STAFF AN IMMEDIATE FAMILY MEMBER OF A DIRECTOR, OFFICER, OR EMPLOYEE OF PAWC, PFM FINANCIAL ADVISORS, TOWAMENCIN OR THE AUTHORITY?

A. No.

Q. IS SCOTTMADDEN IN COMPLIANCE WITH APPLICABLE PENNSYLVANIA LAWS?

A. Yes.

Q. DOES SCOTTMADDEN HAVE THE FINANCIAL AND TECHNICAL FITNESS, INCLUDING PROFESSIONAL LICENSES AND TECHNICAL CERTIFICATIONS, TO PERFORM A FAIR MARKET VALUATION OF THE SYSTEM'S ASSETS?

A. Yes.

Q. ARE YOU AWARE OF ANY FACT, INCLUDING BUT NOT LIMITED TO ANY POTENTIAL CONFLICT OF INTEREST, THAT WOULD CAST DOUBT UPON YOUR ABILITY TO PROVIDE A THOROUGH, OBJECTIVE, UNBIASED, AND FAIR VALUATION IN THIS PROCEEDING?

A. No.

Q. ARE YOU ADVOCATING FOR ANY PARTY OR OUTCOME?

A. No.

FEES PAID FOR UTILITY VALUATION EXPERT SERVICES

Q. HOW IS SCOTTMADDEN BEING COMPENSATED FOR ITS SERVICES IN THIS MATTER?

A. ScottMadden is being compensated on a fee basis, which includes a fixed fee upon delivery of the initial valuation report, and hourly rates for any services rendered thereafter. True, correct, and complete copies of ScottMadden's invoices to PFM for this matter, as of the date of Application filing, are attached to PAWC's Application as Appendix A-7.2 and I incorporate those invoices in my Direct Testimony as if set forth in their entirety.

Q. WILL SCOTTMADDEN RECEIVE FEES FOR ITS SERVICES REGARDLESS OF WHETHER THE COMMISSION APPROVES THE PROPOSED TRANSACTION OR WHETHER IT CLOSES?

A. Yes.

Q. ARE THESE FEES CONSISTENT WITH COMPENSATION RECEIVED FOR SIMILAR SERVICES PROVIDED TO OTHER CLIENTS?

A. Yes.

FAIR MARKET VALUATION OF THE SYSTEM'S ASSETS

Q. PLEASE IDENTIFY APPENDIX A-5.2 TO THE APPLICATION IN THIS PROCEEDING?

A. **Appendix A-5.2** of PAWC's Application includes my appraisal report dated November 28, 2022, which I prepared for Towamencin to be filed in this proceeding.

Q. HOW DO YOU RECOGNIZE IT?

A. I personally prepared and supervised ScottMadden personnel in preparing the report and recognize it as ScottMadden's work product.

Q. IS APPLICATION APPENDIX A-5.2 A TRUE, COMPLETE, AND ACCURATE COPY OF YOUR VALUATION REPORT?

A. Yes, and I incorporate it into my Direct Testimony as if set forth in its entirety.

Q. PLEASE DESCRIBE THE PROCESS BY WHICH YOU PREPARED THE VALUATION REPORT.

A. In accordance with Section 1329 of the Code, NextEra and Towamencin engaged Gilmore & Associates, Inc. ("Gilmore") as the licensed engineer to conduct an assessment of the

System's tangible assets. PFM engaged ScottMadden to prepare the fair market valuation report for the System. Towamencin provided financial statements regarding their operations and Gilmore provided a copy of the Towamencin Township Sewerage Facilities Engineering Assessment and Original Cost (the "Engineering Assessment"), developed by Gilmore as required by Section 1329(a)(4). After those activities and data gathering, we developed the appraisal.

The appraisal contains a letter of transmittal; a narrative report explaining our methodology and conclusions; a statement of assumptions and limiting conditions; a statement of the Valuation Analyst's Representations; a statement of the professional qualifications of Dylan W. D'Ascendis, CVA, CRRA and Matthew R. Howard, CRRA; and various schedules and appendices.

The intent of the valuation report is to provide the appraisal results, as well as the entire appraisal work file, in sufficient detail to satisfy the parties' and Commission's review requirements of Section 1329 and the Commission's Final Implementation Order, *In re: Implementation of Section 1329 of the Public Utility Code*, Docket No. M-2016-2543193 (Order entered October 27, 2016). In addition to a copy of my appraisal report, I have provided supporting work papers for the appraisal report. The relevant work papers have been submitted to the Commission with the Application and provided to the public advocates in live electronic format. ScottMadden considers the live electronic files, which are in Excel format, to be CONFIDENTIAL.

Q. IS THERE ANYTHING THAT YOU WOULD CHANGE IN THE VALUATION REPORT SINCE ITS PREPARATION?

A. No.

Q. WAS THE FAIR MARKET VALUATION OF THE SYSTEM'S ASSETS DETERMINED IN COMPLIANCE WITH THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE ("USPAP")?

A. Yes. Included in ScottMadden's cover letter is a statement of our report's compliance with USPAP.

Q. DID YOU EMPLOY THE COST, MARKET AND INCOME APPROACHES IN PREPARING YOUR VALUATION?

A. Yes. We developed our appraisal utilizing the cost, market, and income approaches as required by USPAP and Section 1329 of the Code. These approaches are summarized below.

Table 1: Summary of Indicated Values

Valuation Approach	Indicated Value
Cost Approach	$76,945,418
Market Approach	$84,625,868
Income Approach	$120,835,732

Q. DID YOU RELY UPON A LICENSED ENGINEERING ASSESSMENT OF THE TANGIBLE ASSETS OF THE SYSTEM IN PERFORMING YOUR VALUATION?

A. Yes. Towamencin and NextEra engaged Gilmore as the licensed engineer to conduct an assessment of the System's tangible assets. Towamencin provided a copy of the

Engineering Assessment developed by Gilmore as required by Section 1329(a)(4). A copy of the Engineering Assessment is included as **Appendix A-15-a** to the Application.

Q. DID THE ENGINEERING ASSESSMENT INCLUDE AN INVENTORY OF THE USED AND USEFUL UTILITY PLANT ASSETS TO BE TRANSFERRED COMPILED BY YEAR AND ACCOUNT?

A. Yes.

Q. DID THE ENGINEERING ASSESSMENT LIST ALL NON-DEPRECIABLE PROPERTY SUCH AS LAND AND RIGHTS-OF-WAY?

A. Yes.

Q. TO THE BEST OF YOUR KNOWLEDGE, WAS THE ENGINEERING ASSESSMENT DEVELOPED FROM AVAILABLE RECORDS, MAPS, WORK ORDERS, DEBT ISSUE CLOSING DOCUMENTS FUNDING CONSTRUCTION PROJECTS, AND OTHER SOURCES TO ENSURE AN ACCURATE LISTING OF UTILITY PLANT INVENTORY BY UTILITY ACCOUNT?

A. Yes.

Q. DO YOU HAVE ANY REASON TO DOUBT THE ACCURACY OF THE ENGINEERING ASSESSMENT INVENTORY OF THE ASSETS?

A. No.

Q. DID YOU INCORPORATE THE ENGINEERING ASSESSMENT INTO YOUR COST APPROACH IN DEVELOPING YOUR VALUATION?

A. Yes.

Q. DID YOU HAVE TO EXERCISE PROFESSIONAL DISCRETION IN DEVELOPING ANY ASPECT OF YOUR VALUATION?

A. Yes. The use of professional discretion is detailed throughout Application **Appendix A-5.2**, where applicable.

Q. PLEASE DESCRIBE ANY ASSUMPTIONS, EXTRAORDINARY ASSUMPTIONS, HYPOTHETICAL CONDITIONS, AND/OR LIMITING CONDITIONS THAT YOU APPLIED TO THE VALUATION.

A. The Statement of Assumptions and Limiting Conditions and the Valuation Analyst's Representations are provided in Appendices A and B to **Appendix A-5.2** of the Application. Three examples of the limiting conditions for this valuation are:

- Original cost data from before 1991 and 1991-2004 was limited, and contained limited backup documentation, as noted in the Engineering Assessment, authored by Gilmore & Associates, Inc.;
- In many instances, the Engineering Assessment categorized assets based on minimal information; which required ScottMadden to rely on those categorizations or to categorize assets based on the limited descriptions in the Engineering Assessment; and

- Residential consumption data was not available, nor was consumption data available in a consistent format.

Q. HOW DID YOU DEVELOP THE WEIGHTING APPLIED TO EACH APPROACH IN YOUR APPRAISAL AND WHY ARE THE INDIVIDUAL WEIGHTS YOU CHOSE APPROPRIATE FOR THE PROPOSED TRANSACTION?

A. No method of valuation will produce the exact value of a business. A valuation study cannot incorporate market conditions at the time of sale or predict a potential investor's desire, or lack thereof, to acquire the business. Towamencin's desire to sell additional assets to the potential acquirer may increase the desire of some investors, and as a result, increase the value of both sets of assets. Our valuation and report cannot incorporate these considerations.

I have determined the range of values of System assets based on the relative weighting of the three valuation methods. The weightings indicate the value placed on each appraisal method from the valuation expert. In my opinion, the Income and Market Approaches should each receive 40% weight and the Cost Approach 20% weight. The reason for this is the Cost Approach does not accurately represent the System's value as it cannot reflect the revenues from outside of the boundaries of the Township. In this instance, the value of the System is not only reflected in its physical assets, but its flow volumes from outside the Township. The indicated result based on the Cost Approach would remain the same regardless of whether the System's assets continue to serve outside the Township's boundaries or not. In lieu of valuing Towamencin's contracts with a customer base outside of Towamencin as intangible assets, I have simply assigned less

weight to the results of the Cost Approach. The ranges of values and relative weightings of the valuation approaches for each scenario are set forth in Table 2, below:

Table 2: Conclusion of Value for the System

Valuation Approach	Indicated Value	Weight	Weighted Value
Cost	$76,945,418	1/5	$15,389,084
Market	$84,625,868	2/5	$33,850,347
Income	$120,835,732	2/5	$48,334,293
Indicated Value		**100%**	**$97,573,723**

Cost Approach

Q. REGARDING YOUR APPLICATION OF THE COST APPROACH, WHAT METHOD DID YOU USE TO DETERMINE THE COST APPROACH RESULT?

A. I used a trended original cost method to determine the original cost new, less depreciation ("RCNLD") of the System's assets. In order to arrive at the Reproduction Cost New for the System's assets, I began with the original cost of the assets provided by the Engineering Assessment and used the Handy-Whitman Index ("HW Index") to determine the current reproduction value. The HW Index is prepared specifically for electric, gas, and water utilities, and is the only publication of its kind available to the public. The HW Index has been published continuously since 1924. The Index is comprised of historical index values for various accounts prescribed by the NARUC Uniform System of Accounts, as well as for construction, material, and labor, by geographic region of the United States. For assets not included in the Index (specifically computer servers, electrical equipment, office equipment, and utility vehicles), ScottMadden used the Producer Pricing Index.

ScottMadden also used the Consumer Pricing Index for stamps owned by the System, which only depreciate on the basis of their face value.

The trended original cost method consists of the development of adjustment factors from the time when the asset was put into service to the current date. For example, an average main (NARUC account 331) placed into service in 1985 with an original cost of $100,000 would be trended forward by the ratio of the index value at the current date divided by the index value at the time of installation. The index value of NARUC account 331 in July 2021 is 911.00, and the index value in 1985 when the assets were installed was 254.00, which means the ratio applied to the original cost of the main would be 3.59.[1] This would translate into a current cost for that main of $358,661.[2]

The next step in deriving the RCNLD for the System's assets is to quantify the amount of physical deterioration, functional obsolescence, and economic obsolescence of the assets. Physical deterioration is caused by use, wear and tear, and the aging process. Functional obsolescence is caused by changes in design or construction to create efficiencies not present in the current asset. Economic obsolescence is a loss in value due to external factors not in the control of Towamencin, such as economic conditions. The most common measure of physical deterioration is the reserve held for depreciation, which is based on the asset's remaining life versus its average useful life. Functional obsolescence is measured by comparing the subject asset to a replacement asset with current technology. The Engineering Assessment found no significant functional obsolescence for System assets. Economic obsolescence is usually measured by market conditions, which have been supportive towards the water and wastewater industries in the recent past, as well as

[1] 911.00 / 254.00 = 3.59.
[2] (911.00 / 254.00) x $100,000 = $358,661.

prospectively, so I do not believe there is significant economic obsolescence present in the System's assets. Since the only applicable measure of loss of value is physical deterioration, the useful lives for each asset were determined, and reserves for depreciation were calculated for each System asset.

Q. HOW DID YOU CALCULATE THE DEPRECIATION RESERVE FOR EACH ASSET?

A. First, I determined the useful life for each asset,[3] then I reduced the original cost of each asset each year by 1/useful life until the asset was fully depreciated or through 2022, which ever one came first and put that value into the depreciation reserve.

Q. WHAT IS THE INDICATED VALUE OF THE SYSTEM'S ASSETS BASED ON THE COST APPROACH?

A. Using the HW, and the Producers and Consumers Pricing Indices to trend the original cost, less depreciation of the System's assets forward, I derived a Reproduction Cost New minus depreciation of $79,945,418, as shown on Schedule 1 of **Appendix A-5.2**.

As stated above, the value derived from the cost approach is based solely on the System's underlying assets, which means it does not take into account the expected cash flows of these assets. For the System, this difference is significant. The System derives approximately one-third of its historical and expected revenues from assets located outside

[3] Useful lives are based on the System of Accounts for Water and Wastewater Utilities – with 200 or more connections from the Public Utility Commission of Texas with three exceptions. I used a 75-year useful life for mains as determined by the PUC in Docket No. A-2019-3008491, a 50-year useful life for structures, and a 10-year useful life for transportation equipment. My use of both 50 and 10-year useful lives for structures and transportation equipment was not challenged by PUC Staff in Docket No. A-2019-3015173.

the boundaries of the Township, in particular, Hatfield Quality Meats, located in Hatfield Township. Additionally, even though the HW Index takes into account the changes in the cost of various factors over time in different regions throughout the country, it cannot take into account intricacies such as terrain (e.g., mountains in Appalachia versus farmland in Pennsylvania) or changes in development and zoning since original installation. All else remaining equal, different terrains or changes in laws will translate into different timeframes to complete the project, which will directly affect costs.

Market Approach

Q. REGARDING YOUR APPLICATION OF THE MARKET APPROACH, WHAT METHODS DID YOU USE TO DETERMINE THE MARKET APPROACH RESULT?

A. I used the market value of invested capital to net plant multiple and comparable sales methods.

Q. PLEASE DISCUSS THE MARKET VALUE OF INVESTED CAPITAL TO NET PLANT METHOD.

A. The market value of invested capital to net plant method applies a market value of invested capital to net plant ratio of a comparable risk group to the original cost less depreciation ("OCLD") of the subject company to derive an indicated market value. As shown on page 2 of Schedule 2 of **Appendix A-5.2**, market value of invested capital to net plant ratios of the water utility proxy group used to derive the weighted average cost of capital ("WACC") in the income approach range from 1.5356x to 2.8071x. Using the System's OCLD of

$26,427,564,[4] indicated values range from $40,581,594 and $74,184,949, with an average multiple value of $56,975,168 as shown on page 3 of Schedule 2 of **Appendix A-5.2**.

Q. PLEASE DESCRIBE THE COMPARABLE SALES METHOD.

A. I also researched transactions involving companies who acquired 100% of a water or sewer interest since 2016. That research returned 117 results from around the country, 30 of which were acquisitions in Pennsylvania, which are contained on pages 4-5 of Schedule 2 of **Appendix A-5.2**. A common ratio which can be used to determine the System's market value is transaction value per equivalent domestic unit ("EDU"). The purchase price per EDU ratios for the relevant transactions are shown on page 5 of Schedule 2 of **Appendix A-5.2**. As shown on page 5 of Schedule 2 of **Appendix A-5.2**, the nationwide average purchase price to EDU is 4.28x, while the Pennsylvania average purchase price to EDU is 6.64x. Given the 13,780 EDUs served by the System,[5] indicated values using this approach are $58,917,304 using the nationwide multiple and $91,538,542 using the Pennsylvania multiple. Because of both the large number of transactions in Pennsylvania (30 of the 117 total transactions analyzed since 2016), and the location of the Subject Interest being in Pennsylvania, ScottMadden used the Pennsylvania multiple as the appropriate measure, indicating a value of $91,538,542 for the comparable sales method.

[4] Page 1 of Schedule 1, Column [4]

[5] Residential flow of 524,860,875 + commercial flow of 96,069,521 (excluding Hatfield Quality Meats) + Hatfield Quality Meat flow of 241,225,752 = total year flow of 862,156,148. Daily flow of 2,362,072 divided by an average of 175/gpd = 13,498 EDUs. Then, an additional 17 flat rate commercial customers account for 88 EDUs, and Hatfield Municipal Authority, also billed at a flat rate, accounts for 194 EDUs. Adding the 282 EDUs from these flat rate customers to the 13,498 EDUs calculated above equals a total EDU count of 13,780.

Q. WHAT WERE THE RESULTS OF EACH ANALYSIS YOU PERFORMED?

A. The market value of invested capital to net plant analysis produced an indicated value of $56,975,168. The comparable sales method produced a result of $91,538,542.

Q. WHICH RESULTS WERE USED TO DETERMINE YOUR MARKET APPROACH RESULT? PLEASE EXPLAIN WHY THESE RESULTS WERE USED.

A. As noted above, because the System's underlying assets do not reflect the cash flows generated from outside of the boundaries of the Township, I applied a weight of 20% to the market value of invested capital to net plant approach, and a weight of 80% to the comparable sales approach. Applying those weights results in an indicated value of $84,625,868 for the System as shown on page 1 of Schedule 2 of **Appendix A-5.2**.

Income Approach

Q. WHAT ASSUMPTIONS DID YOU EMPLOY TO DEVELOP YOUR INCOME APPROACH RESULT?

A. In determining the indicated value using the income approach, I made assumptions regarding the System's operating revenue, operating expenses, and capital requirements.

The vast majority of the System's revenues are tied to fees for wastewater service. As such, revenues are dependent on two factors: population growth and rate increases.

Upon review of U.S. census data, I conclude that the population served by the System will be increasing going forward at a rate of 0.22% per year.[6] Based on this, I

[6] Given the diversion of a majority of Upper Gwynedd customers as noted below, ScottMadden did not apply a population growth factor to Upper Gwynedd revenues.

applied a positive population growth factor of 0.22% to revenues from wastewater fees each year starting in 2023.

In regard to rate increases, ScottMadden applied rate increases of 20% for each of the years from 2023-2026 (consistent with a 20% rate increase enacted in 2022). These rate increases are based on the need to recover capital improvement outlays from 2022-2032 as relayed to me by Towamencin and as noted in the Engineering Assessment. Beginning in 2027, as revenues catch up to capital expenditures, ScottMadden assumed the frequency and extent of rate increases will occur at a rate of 10% every other year, ending in 2036 (*i.e.*, 10% rate increases in 2028, 2030, 2032, 2034, and 2036). Beginning in 2036, after the accelerated capital improvement plan is expected to be completed, I assumed rate increases will occur at a rate of 5% every other year, in perpetuity.

Given the Upper Gwynedd diversion in October 2021, ScottMadden reduced 2022 revenues from Upper Gwynedd by 93.78%, based on data provided by Towamencin that approximately 6.22% of Upper Gwynedd customers remain under System service following the diversion.[7] ScottMadden assumed all rate increases discussed above would apply to the remaining 6.22% of Upper Gwynedd customers.

General operating expenses for the System are comprised of administrative expenses, physical plant, operations, maintenance, and pumping related expenses. All expenses are assumed to increase at the projected level of the Consumer Price Index[8] ("CPI").

[7] Pre-diversion customers: 4,500; post-diversion customers: 280; 280/4,500 = 6.22%.

[8] I employed a CPI projection of 2.35% per year, based on the long-term CPI projection published by *Blue Chip Financial Forecasts*. *See, Blue Chip Financial Forecasts*, Vol. 41, No. 6, June 1, 2022 at 14; Appendix G of Appendix A-5.2, at 22.

The projected capital improvements for the System for the period 2022 through 2032 are based on those identified by Gilmore, as noted in the Engineering Assessment, and are based on projected cost estimates from Gilmore and Bursich Associates. Over the ten-year horizon, the yearly projected capital outlays range from approximately $1.2 million to over $6 million in 2028 alone. Specifically, the capital plan indicates a need to replace the Inglewood Area Sanitary Sewer between 2023 and 2030, costing a total of over $8 million. Between 2024 and 2026, Disinfection Upgrade (UV Installation & chlorination system removal) will cost $3 million and Biosolids Processing upgrades will cost $2 million. Other notable capital expenditures include a major Biosolids project, various Structural, Roof & Maintenance Repairs, and a Headworks Junction Box reconstruction. Because the capital improvement plan is based on 2021 cost estimates, I grew yearly costs at the projected CPI of 2.35% until those improvements occurred. This resulted in a 2032 capital spend of $1,195,809, which I continued to grow by the projected CPI into perpetuity

Q. WHAT DISCOUNT RATE DID YOU USE TO CALCULATE YOUR INCOME APPROACH?

A. The discount rate is the investor-required expected rate of return on the assets. An investor in any company needs to be compensated for the risk of that investment, and a higher level of risk equates to a higher required rate of return. The overall rate of return in this instance is defined by the WACC. I have calculated a discount rate which relates to the traditional method of financing for publicly-traded water companies, which uses an equal mix between debt and equity capital.

For the common equity cost rate, I applied the Discounted Cash Flow ("DCF"), Risk Premium ("RPM") and Capital Asset Pricing Models ("CAPM") to a proxy group of publicly-traded water companies and a group of non-regulated companies comparable in total risk to the water utility group. Application of these cost of common equity models to these groups results in an indicated cost of common equity of 10.18% which is presented in Appendix G of **Appendix A-5.2**.

The representative capital structure is a hypothetical capital structure based on the range of capital structures for fiscal year 2021 of the publicly-traded proxy group companies used to derive the cost of common equity.[9] For the debt cost rate used in the WACC calculation, I used a 30-day average Moody's A2 public utility bond rate of 4.83%.[10] Table 3 below illustrates the assumed WACC of an investor-owned water utility.

Table 3: Assumed WACC for Water Utility Company

Type of Capital	Cost Rate	Ratio	Weighted Cost
Long-Term Debt	4.83%	50.00%	2.42%
Common Equity	10.18%	50.00%	5.09%
Total		**100.00%**	**7.51%**

Q. IF YOU USED A TERMINAL VALUE IN YOUR DISCOUNTED CASH FLOW ANALYSIS, WHAT IS THE NUMBER OF YEARS OVER WHICH THE CASH FLOWS ARE CONSIDERED?

A. I considered those cash flows over 28 years (2022 – 2050).

[9] The range of equity ratios of the proxy group companies were from 40.31% to 62.44% at 2021 fiscal year end.

[10] **Appendix A-5.2** Appendix G, at 2.

Q. WHAT IS THE INDICATED VALUE OF THE SYSTEM USING THE INCOME APPROACH?

A. Inputting the estimated revenue, expense, and capital expenditure data into the model resulted in an indicated value of $120,835,732.

CONCLUSION

Q. WHAT IS YOUR CONCLUSION REGARDING THE FAIR MARKET VALUE OF THE SYSTEM'S ASSETS TO BE PURCHASED BY PAWC?

A. The fair market value of the System's assets is $97,573,723 as of November 28, 2022. The results of my appraisal and conclusions are summarized in the following table:

Table 4: Conclusion of Value for the System

Valuation Approach	Indicated Value	Weight	Weighted Value
Cost	$76,945,418	1/5	$15,389,084
Market	$84,625,868	2/5	$33,850,347
Income	$120,835,732	2/5	$48,334,293
Indicated Value		**100%**	**$97,573,723**

Q. DID YOU MAKE ANY UPDATES TO YOUR APPRAISAL AFTER IT WAS SUBMITTED TO THE SELLER, AND IF SO, WHAT WAS THE UPDATE, WHEN WAS IT MADE, AND WHY WAS IT NECESSARY?

A. I did not update or revise my appraisal after it was submitted to the Seller.

Q. IS IT NECESSARY TO UPDATE YOUR APPRAISAL IN LIGHT OF THE ASSIGNMENT OF THE SALE OF THE SYSTEM FROM NEXTERA TO PAWC?

A. It is not. It is my understanding that the assignment of the sale of the System from NextEra to PAWC is not considered to be a purchase of the assets by PAWC from NextEra, but reflects the same conditions during which NextEra agreed to purchase the System's assets. Essentially, PAWC is replacing NextEra. Therefore, the conditions prevalent in my original appraisal would still apply.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes. However, I reserve the right to supplement my Direct Testimony as additional issues and facts arise during the course of the proceeding.

scottmadden
MANAGEMENT CONSULTANTS

Attachment A: Professional Qualifications of
Dylan W. D'Ascendis, CRRA, CVA
Partner

Summary

Dylan is an experienced consultant and a Certified Rate of Return Analyst (CRRA) and Certified Valuation Analyst (CVA). He has served as a consultant for investor-owned and municipal utilities and authorities for 13 years. Dylan has extensive experience in rate of return analyses, class cost of service, rate design, and valuation for regulated public utilities. He has testified as an expert witness in the subjects of rate of return, cost of service, rate design, and valuation before 30 regulatory commissions in the U.S., one Canadian province, an American Arbitration Association panel, and the Superior Court of Rhode Island.

He also maintains the benchmark index against which the Hennessy Gas Utility Mutual Fund performance is measured.

Areas of Specialization

- Regulation and Rates
- Utilities
- Mutual Fund Benchmarking
- Capital Market Risk
- Financial Modeling
- Valuation
- Regulatory Strategy
- Rate Case Support
- Rate of Return
- Cost of Service
- Rate Design

Recent Expert Testimony Submission/Appearances

Jurisdiction	*Topic*
Massachusetts Department of Public Utilities	Rate of Return
New Jersey Board of Public Utilities	Rate of Return
Hawaii Public Utilities Commission	Cost of Service, Rate Design
South Carolina Public Service Commission	Return on Common Equity
American Arbitration Association	Valuation

Recent Assignments

- Provided expert testimony on the cost of capital for ratemaking purposes before numerous state utility regulatory agencies
- Maintains the benchmark index against which the Hennessy Gas Utility Mutual Fund performance is measured
- Sponsored valuation testimony for a large municipal water company in front of an American Arbitration Association Board to justify the reasonability of their lease payments to the City
- Co-authored a valuation report on behalf of a large investor-owned utility company in response to a new state regulation which allowed the appraised value of acquired assets into rate base

Recent Publications and Speeches

- Co-Author of: "Decoupling, Risk Impacts and the Cost of Capital", co-authored with Richard A. Michelfelder, Ph.D., Rutgers University and Pauline M. Ahern. The Electricity Journal, March, 2020.
- Co-Author of: "Decoupling Impact and Public Utility Conservation Investment", co-authored with Richard A. Michelfelder, Ph.D., Rutgers University and Pauline M. Ahern. Energy Policy Journal, 130 (2019), 311-319.
- "Establishing Alternative Proxy Groups", before the Society of Utility and Regulatory Financial Analysts: 51st Financial Forum, April 4, 2019, New Orleans, LA.
- "Past is Prologue: Future Test Year", Presentation before the National Association of Water Companies 2017 Southeast Water Infrastructure Summit, May 2, 2017, Savannah, GA.
- Co-author of: "Comparative Evaluation of the Predictive Risk Premium Model™, the Discounted Cash Flow Model and the Capital Asset Pricing Model", co-authored with Richard A. Michelfelder, Ph.D., Rutgers University, Pauline M. Ahern, and Frank J. Hanley, The Electricity Journal, May, 2013.
- "Decoupling: Impact on the Risk and Cost of Common Equity of Public Utility Stocks", before the Society of Utility and Regulatory Financial Analysts: 45th Financial Forum, April 17-18, 2013, Indianapolis, IN.

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Regulatory Commission of Alaska				
Alaska Power Company	09/20	Alaska Power Company; Goat Lake Hydro, Inc.; BBL Hydro, Inc.	Tariff Nos. TA886-2; TA6-521; TA4-573	Capital Structure
Alaska Power Company	07/16	Alaska Power Company	Docket No. TA857-2	Rate of Return
Alberta Utilities Commission				
AltaLink, L.P., and EPCOR Distribution & Transmission, Inc.	01/20	AltaLink, L.P., and EPCOR Distribution & Transmission, Inc.	2021 Generic Cost of Capital, Proceeding ID. 24110	Rate of Return
Arizona Corporation Commission				
EPCOR Water Arizona, Inc.	06/20	EPCOR Water Arizona, Inc.	Docket No. WS-01303A-20-0177	Rate of Return
Arizona Water Company	12/19	Arizona Water Company – Western Group	Docket No. W-01445A-19-0278	Rate of Return
Arizona Water Company	08/18	Arizona Water Company – Northern Group	Docket No. W-01445A-18-0164	Rate of Return
Arkansas Public Service Commission				
CenterPoint Energy Resources Corp.	05/21	CenterPoint Arkansas Gas	Docket No. 21-004-U	Return on Equity
Colorado Public Utilities Commission				
Summit Utilities, Inc.	04/18	Colorado Natural Gas Company	Docket No. 18AL-0305G	Rate of Return
Atmos Energy Corporation	06/17	Atmos Energy Corporation	Docket No. 17AL-0429G	Rate of Return
Delaware Public Service Commission				
Delmarva Power & Light Co.	11/20	Delmarva Power & Light Co.	Docket No. 20-0149 (Electric)	Return on Equity
Delmarva Power & Light Co.	10/20	Delmarva Power & Light Co.	Docket No. 20-0150 (Gas)	Return on Equity
Tidewater Utilities, Inc.	11/13	Tidewater Utilities, Inc.	Docket No. 13-466	Capital Structure
Public Service Commission of the District of Columbia				
Washington Gas Light Company	09/20	Washington Gas Light Company	Formal Case No. 1162	Rate of Return
Federal Energy Regulatory Commission				
LS Power Grid California, LLC	10/20	LS Power Grid California, LLC	Docket No. ER21-195-000	Rate of Return
Florida Public Service Commission				
Tampa Electric Company	04/21	Tampa Electric Company	Docket No. 20210034-EI	Return on Equity
Peoples Gas System	09/20	Peoples Gas System	Docket No. 20200051-GU	Rate of Return
Utilities, Inc. of Florida	06/20	Utilities, Inc. of Florida	Docket No. 20200139-WS	Rate of Return
Hawaii Public Utilities Commission				
Launiupoko Irrigation Company, Inc.	12/20	Launiupoko Irrigation Company, Inc.	Docket No. 2020-0217 / Transferred to 2020-0089	Capital Structure
Lanai Water Company, Inc.	12/19	Lanai Water Company, Inc.	Docket No. 2019-0386	Cost of Service / Rate Design
Manele Water Resources, LLC	08/19	Manele Water Resources, LLC	Docket No. 2019-0311	Cost of Service / Rate Design
Kaupulehu Water Company	02/18	Kaupulehu Water Company	Docket No. 2016-0363	Rate of Return
Aqua Engineers, LLC	05/17	Puhi Sewer & Water Company	Docket No. 2017-0118	Cost of Service / Rate Design

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Hawaii Resources, Inc.	09/16	Laie Water Company	Docket No. 2016-0229	Cost of Service / Rate Design
Illinois Commerce Commission				
Utility Services of Illinois, Inc.	02/21	Utility Services of Illinois, Inc.	Docket No. 21-0198	Rate of Return
Ameren Illinois Company d/b/a Ameren Illinois	07/20	Ameren Illinois Company d/b/a Ameren Illinois	Docket No. 20-0308	Return on Equity
Utility Services of Illinois, Inc.	11/17	Utility Services of Illinois, Inc.	Docket No. 17-1106	Cost of Service / Rate Design
Aqua Illinois, Inc.	04/17	Aqua Illinois, Inc.	Docket No. 17-0259	Rate of Return
Utility Services of Illinois, Inc.	04/15	Utility Services of Illinois, Inc.	Docket No. 14-0741	Rate of Return
Indiana Utility Regulatory Commission				
Aqua Indiana, Inc.	03/16	Aqua Indiana, Inc. Aboite Wastewater Division	Docket No. 44752	Rate of Return
Twin Lakes, Utilities, Inc.	08/13	Twin Lakes, Utilities, Inc.	Docket No. 44388	Rate of Return
Kansas Corporation Commission				
Atmos Energy	07/19	Atmos Energy	19-ATMG-525-RTS	Rate of Return
Kentucky Public Service Commission				
Duke Energy Kentucky, Inc.	06/21	Duke Energy Kentucky, Inc.	2021-00190	Return on Equity
Bluegrass Water Utility Operating Company	10/20	Bluegrass Water Utility Operating Company	2020-00290	Return on Equity
Louisiana Public Service Commission				
Southwestern Electric Power Company	12/20	Southwestern Electric Power Company	Docket No. U-35441	Return on Equity
Atmos Energy	04/20	Atmos Energy	Docket No. U-35535	Rate of Return
Louisiana Water Service, Inc.	06/13	Louisiana Water Service, Inc.	Docket No. U-32848	Rate of Return
Maryland Public Service Commission				
Washington Gas Light Company	08/20	Washington Gas Light Company	Case No. 9651	Rate of Return
FirstEnergy, Inc.	08/18	Potomac Edison Company	Case No. 9490	Rate of Return
Massachusetts Department of Public Utilities				
Unitil Corporation	12/19	Fitchburg Gas & Electric Co. (Elec.)	D.P.U. 19-130	Rate of Return
Unitil Corporation	12/19	Fitchburg Gas & Electric Co. (Gas)	D.P.U. 19-131	Rate of Return
Liberty Utilities	07/15	Liberty Utilities d/b/a New England Natural Gas Company	Docket No. 15-75	Rate of Return
Minnesota Public Utilities Commission				
Northern States Power Company	11/20	Northern States Power Company	Docket No. E002/GR-20-723	Rate of Return
Mississippi Public Service Commission				
Atmos Energy	03/19	Atmos Energy	Docket No. 2015-UN-049	Capital Structure
Atmos Energy	07/18	Atmos Energy	Docket No. 2015-UN-049	Capital Structure
Missouri Public Service Commission				
Spire Missouri, Inc.	12/20	Spire Missouri, Inc.	Case No. GR-2021-0108	Return on Equity

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Indian Hills Utility Operating Company, Inc.	10/17	Indian Hills Utility Operating Company, Inc.	Case No. SR-2017-0259	Rate of Return
Raccoon Creek Utility Operating Company, Inc.	09/16	Raccoon Creek Utility Operating Company, Inc.	Docket No. SR-2016-0202	Rate of Return
Public Utilities Commission of Nevada				
Southwest Gas Corporation	08/20	Southwest Gas Corporation	Docket No. 20-02023	Return on Equity
New Hampshire Public Utilities Commission				
Aquarion Water Company of New Hampshire, Inc.	12/20	Aquarion Water Company of New Hampshire, Inc.	Docket No. DW 20-184	Rate of Return
New Jersey Board of Public Utilities				
Middlesex Water Company	05/21	Middlesex Water Company	Docket No. WR21050813	Rate of Return
Atlantic City Electric Company	12/20	Atlantic City Electric Company	Docket No. ER20120746	Return on Equity
FirstEnergy	02/20	Jersey Central Power & Light Co.	Docket No. ER20020146	Rate of Return
Aqua New Jersey, Inc.	12/18	Aqua New Jersey, Inc.	Docket No. WR18121351	Rate of Return
Middlesex Water Company	10/17	Middlesex Water Company	Docket No. WR17101049	Rate of Return
Middlesex Water Company	03/15	Middlesex Water Company	Docket No. WR15030391	Rate of Return
The Atlantic City Sewerage Company	10/14	The Atlantic City Sewerage Company	Docket No. WR14101263	Cost of Service / Rate Design
Middlesex Water Company	11/13	Middlesex Water Company	Docket No. WR1311059	Capital Structure
New Mexico Public Regulation Commission				
Southwestern Public Service Company	01/21	Southwestern Public Service Company	Case No. 20-00238-UT	Return on Equity
North Carolina Utilities Commission				
Piedmont Natural Gas Co.Inc.	03/21	Piedmont Natural Gas Co., Inc.	Docket No. G-9, Sub 781	Return on Equity
Duke Energy Carolinas, LLC	07/20	Duke Energy Carolinas, LLC	Docket No. E-7, Sub 1214	Return on Equity
Duke Energy Progress, LLC	07/20	Duke Energy Progress, LLC	Docket No. E-2, Sub 1219	Return on Equity
Aqua North Carolina, Inc.	12/19	Aqua North Carolina, Inc.	Docket No. W-218 Sub 526	Rate of Return
Carolina Water Service, Inc.	06/19	Carolina Water Service, Inc.	Docket No. W-354 Sub 364	Rate of Return
Carolina Water Service, Inc.	09/18	Carolina Water Service, Inc.	Docket No. W-354 Sub 360	Rate of Return
Aqua North Carolina, Inc.	07/18	Aqua North Carolina, Inc.	Docket No. W-218 Sub 497	Rate of Return
North Dakota Public Service Commission				
Northern States Power Company	11/20	Northern States Power Company	Case No. PU-20-441	Rate of Return
Public Utilities Commission of Ohio				
Aqua Ohio, Inc.	05/16	Aqua Ohio, Inc.	Docket No. 16-0907-WW-AIR	Rate of Return
Pennsylvania Public Utility Commission				
Vicinity Energy Philadelphia, Inc.	04/21	Vicinity Energy Philadelphia, Inc.	Docket No. R-2021-3024060	Rate of Return
Delaware County Regional Water Control Authority	02/20	Delaware County Regional Water Control Authority	Docket No. A-2019-3015173	Valuation
Valley Energy, Inc.	07/19	C&T Enterprises	Docket No. R-2019-3008209	Rate of Return
Wellsboro Electric Company	07/19	C&T Enterprises	Docket No. R-2019-3008208	Rate of Return

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Citizens' Electric Company of Lewisburg	07/19	C&T Enterprises	Docket No. R-2019-3008212	Rate of Return
Steelton Borough Authority	01/19	Steelton Borough Authority	Docket No. A-2019-3006880	Valuation
Mahoning Township, PA	08/18	Mahoning Township, PA	Docket No. A-2018-3003519	Valuation
SUEZ Water Pennsylvania Inc.	04/18	SUEZ Water Pennsylvania Inc.	Docket No. R-2018-000834	Rate of Return
Columbia Water Company	09/17	Columbia Water Company	Docket No. R-2017-2598203	Rate of Return
Veolia Energy Philadelphia, Inc.	06/17	Veolia Energy Philadelphia, Inc.	Docket No. R-2017-2593142	Rate of Return
Emporium Water Company	07/14	Emporium Water Company	Docket No. R-2014-2402324	Rate of Return
Columbia Water Company	07/13	Columbia Water Company	Docket No. R-2013-2360798	Rate of Return
Penn Estates Utilities, Inc.	12/11	Penn Estates, Utilities, Inc.	Docket No. R-2011-2255159	Capital Structure / Long-Term Debt Cost Rate
South Carolina Public Service Commission				
Blue Granite Water Co.	12/19	Blue Granite Water Company	Docket No. 2019-292-WS	Rate of Return
Carolina Water Service, Inc.	02/18	Carolina Water Service, Inc.	Docket No. 2017-292-WS	Rate of Return
Carolina Water Service, Inc.	06/15	Carolina Water Service, Inc.	Docket No. 2015-199-WS	Rate of Return
Carolina Water Service, Inc.	11/13	Carolina Water Service, Inc.	Docket No. 2013-275-WS	Rate of Return
United Utility Companies, Inc.	09/13	United Utility Companies, Inc.	Docket No. 2013-199-WS	Rate of Return
Utility Services of South Carolina, Inc.	09/13	Utility Services of South Carolina, Inc.	Docket No. 2013-201-WS	Rate of Return
Tega Cay Water Services, Inc.	11/12	Tega Cay Water Services, Inc.	Docket No. 2012-177-WS	Capital Structure
Tennessee Public Utility Commission				
Piedmont Natural Gas Company	07/20	Piedmont Natural Gas Company	Docket No. 20-00086	Return on Equity
Public Utility Commission of Texas				
Southwestern Public Service Company	02/21	Southwestern Public Service Company	Docket No. 51802	Return on Equity
Southwestern Electric Power Company	10/20	Southwestern Electric Power Company	Docket No. 51415	Rate of Return
Virginia State Corporation Commission				
Virginia Natural Gas, Inc.	04/21	Virginia Natural Gas, Inc.	PUR-2020-00095	Return on Equity
Massanutten Public Service Corporation	12/20	Massanutten Public Service Corporation	PUE-2020-00039	Return on Equity
Aqua Virginia, Inc.	07/20	Aqua Virginia, Inc.	PUR-2020-00106	Rate of Return
WGL Holdings, Inc.	07/18	Washington Gas Light Company	PUR-2018-00080	Rate of Return
Atmos Energy Corporation	05/18	Atmos Energy Corporation	PUR-2018-00014	Rate of Return
Aqua Virginia, Inc.	07/17	Aqua Virginia, Inc.	PUR-2017-00082	Rate of Return
Massanutten Public Service Corp.	08/14	Massanutten Public Service Corp.	PUE-2014-00035	Rate of Return / Rate Design

Valuation Engagements:

SPONSOR	DATE	ASSETS VALUED	DESCRIPTION
City of York, PA	06/2021	Wastewater Operations	Authored Valuation Report, which will be a part of an Act 12 Filing
Aqua New Jersey, Inc.	05/2021	Confidential Wastewater Operations in NJ	Authored Valuation Report for internal purposes
Aqua New Jersey, Inc.	05/2021	Confidential Water and Wastewater Operations in NJ	Authored Valuation Report for internal purposes
Aqua Ohio, Inc.	05/2021	Confidential Water Operations in OH	Authored Valuation Report for internal purposes
Aqua Pennsylvania, Inc.	04/2021	Confidential Wastewater Operations in PA	Authored Valuation Report for internal purposes
Aqua New Jersey, Inc.	04/2021	Confidential Wastewater Operations in NJ	Authored Valuation Report for internal purposes
Aqua Pennsylvania, Inc.	02/2021	Confidential Wastewater Operations in PA	Authored Valuation Report for internal purposes
Artesian Water Company, Inc.	01/2021	Wastewater Operations for Delaware City, DE	Authored valuation report for internal purposes
EPCOR Distribution and Transmission, Inc., Alberta Canada	12/2020	Fiber Optic Cable Assets	Fiber optic cable available for lease for Internal purposes
EPCOR Distribution and Transmission, Inc., Alberta Canada	12/2020	Duct Bank Assets	Duct banks available for lease for Internal purposes
Borough of Lewistown, PA	08/2020	Water Operations	Authored valuation report for internal purposes
Artesian Water Company, Inc.	06/2020	Wastewater Operations for Town of Frankford, DE	Authored valuation report for internal purposes
Foster Township, PA	04/2020	Water Operations	Authored valuation report for internal purposes
City of Erie, PA	04/2020	Water Operations	Authored valuation report for internal purposes
Delaware County Regional Water Quality Control Authority	02/2020	Wastewater Operations	Authored Valuation Report, which will be a part of an Act 12 Filing
Aqua North Carolina, Inc.	02/2020	Confidential Water Operations in NC	Authored Valuation Report for internal purposes
Aqua New Jersey, Inc.	02/2020	Confidential Water Operations in NJ	Authored Valuation Report for internal purposes
Aqua Ohio, Inc.	11/2019	Confidential Wastewater Operations in OH	Authored Valuation Report for internal purposes
Steelton Water Authority	06/2018	Water Operations	Authored Valuation Report, which will be a part of an Act 12 Filing
Sara Golvinveaux McGinnes Trust	04/2018	Electric Operations of Block Island Power Company	Authored Valuation Report for Superior Court Trial
Mahoning Township, PA	09/2017	Water and Sewer Assets	Authored Valuation Report, which is part of an Act 12 Filing
Atmos Energy Corporation	09/2016	Intrastate Natural Gas Pipeline	Authored Valuation for internal purposes.
Springfield Township, PA	08/2014	Water and Sewer Assets	Co-Authored Valuation Report, which was part of House Bill 1379 Filing (similar to PA Act 12)

SPONSOR	DATE	ASSETS VALUED	DESCRIPTION
Aqua Illinois, Inc.	07/2014	Village of Glenview, IL (North Maine Utilities) Sewer Assets	Co-Authored Valuation report for internal purposes
Erie City Water Authority, Erie, PA	12/2013	Water Assets	Sponsored Valuation Testimony in Arbitration Hearing
City of Allentown, PA	12/2012	Water and Sewer Assets	Assisted in the generation of Valuation Report

COMMONWEALTH OF PENNSYLVANIA
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of Pennsylvania-American Water Company under Sections 1102(a) and 1329 of the Pennsylvania Public Utility Code, 66 Pa C.S. §§ 1102(a) and 1329, for approval of (1) the transfer, by sale, to Pennsylvania-American Water Company, of substantially all of the assets, properties and rights related to the wastewater collection and treatment system owned and operated by Towamencin Township and Towamencin Municipal Authority, and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in the Township of Towamencin, portions of the Townships of Lower Salford, Franconia and Worcester and the Borough of Lansdale, all in Montgomery County, Pennsylvania	Docket Nos. A-2023-3039900 *et al.*

VERIFICATION

I, Dylan W. D'Ascendis, hereby state that the facts set forth in my Direct Testimony are true and correct to the best of my knowledge, information, and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Dated: 5/15/2023

Dylan W. D'Ascendis